

POSTED
12/13 12:00

\$1400 \$16,000

Transcript of a video recording made pursuant to 342(g) of the California Business and Professions Code

Denali Financial Consulting LLC
Independent Contractor Agreement

CLI Holdings, Inc (dba Alydian), a Seychelles-based Corporation, (hereinafter "Client" or "Alydian"), and Denali Financial Consulting LLC (hereinafter "DFC") agree, as of December 11, 2013 as follows:

- Term** - This Agreement shall commence on December 11, 2013 and shall continue until either party gives written notice to the contrary to the other party.
- Services and Compensation** - During the term of this Agreement, DFC shall render services as set forth in Exhibit A. DFC will not exceed these estimated ranges without approval from Client. The work will be performed onsite or offsite, depending on Client's availability and preferences. Services are initially estimated in Exhibit A, and are payable in US Dollars (not Bitcoin) as a \$16,000 retainer advance prior to starting work. DFC shall not incur any out-of-pocket expenses without the prior consent of Client. Invoices for out-of-pocket expenses will be included with each billing period and shall be paid by Client upon receipt.
- Relationship of the Parties** - DFC is an independent contractor retained by Client only for the purposes and to the extent set forth in this Agreement. DFC is not an employee, officer, agent or representative of Client. DFC will not attempt to create or assume any obligation or liability, express or implied, in the name or otherwise on behalf of Client. Without limiting the generality of the foregoing, DFC will not enter into any contract, agreement or other commitment, make any representation, warranty or guarantee, nor incur any obligation or liability in the name or otherwise on behalf of Client. DFC shall not direct nor be responsible for the work of any of Client's employees or other independent contractors.
- Representations and Warranties** - DFC shall make no representations or warranties to any third parties regarding Client. All work-product and deliverables created herein shall be the representation of Client. Client will review all such materials prior to their use or distribution to third parties. Client bears all responsibility for the accuracy and completeness of such documents. DFC's role shall be solely as a financial advisor to Client and not as an agent or officer of Client. DFC is neither an attorney nor a Certified Public Accountant.
- Indemnification** - Client shall indemnify and save DFC harmless against all damages and/or claims made against DFC for actions undertaken by DFC pursuant to this agreement, provided that the duty to indemnify does not apply to damages and/or claims caused by the intentional or willful misconduct of DFC.
- Confidentiality** - DFC may be exposed to Company trade secrets and information that the Company considers to be proprietary and confidential. DFC and Client have executed a Confidentiality and Non-Disclosure Agreement covering the treatment of this material.
- Direct hire fees** - In the event a DFC team member is hired by Client (or affiliates), a 20% placement fee based on the first year's compensation is due to DFC prior to start date.
- Ownership** - All work performed under this Agreement shall be the sole property of DFC until all compensation has been paid by Client at which time all work papers shall become the property of Client. DFC shall grant a non-transferable, non-assignable license to Client to use any spreadsheets (e.g. financial models, dashboards) which were created as part of this engagement.
- Termination** - This Agreement may be terminated at any time. Paragraphs 2, 5, 6 and 8 shall remain in full force and effect after termination of this Agreement for whatever reason.
- Other Legal Provisions** - The laws of the state of Washington will govern this Agreement. The parties agree to arbitration in Seattle, WA for any disputes which may arise. This Agreement constitutes the entire agreement between the parties.

Denali Financial Consulting LLC
By Chris Dishman, Date 12/13/13
Chris Dishman, Founder & CEO
605 1st Avenue, Suite 412, Seattle WA 98104

CLI Holdings, Inc (dba Alydian)
By: Peter Vessenes, Date: 12-13-2013
Peter Vessenes
900 Winslow Way, Suite 100, Bainbridge Island, WA 98110

Denali Financial Consulting LLC - Independent Contractor Agreement

EXHIBIT A

Based on discussions with management, and a review of the schedules required by the bankruptcy petition, we initially estimate our work related to this engagement to total \$16,000 as summarized below. As noted in Section 2 of the contract, this amount will be paid upfront as a retainer, and the retainer will be applied towards the final bill to the company.

- Accounting services, \$10,000 (80 hours at \$125/hour) - Operating expenses related to Alydian are generally paid bi-monthly by Coinlab, Inc. ("CoinLab"). CoinLab then provides a monthly invoice to Alydian that provides detail of the expenses. On the books of Coinlab the invoice is recorded as an intercompany receivable. On the books of Alydian the invoice is recorded as an intercompany payable. The intercompany payable to CoinLab is generally paid in Bitcoin currency. Our procedures relating to the accounting relating to Alydian are as follows:
 - ✓ Reconciliation of equity ownership between CoinLab and Alydian
 - ✓ Reconcile intercompany receivable and payable accounts between CoinLab and Alydian
 - ✓ Record Alydian transactions in accordance with a standard chart of accounts
 - ✓ Completion of the bankruptcy petition schedules
- Project Management services, \$4,000, (20 hours at \$200/hour)
- GAAP Advisory Services, \$1,400 (4 hours at \$350/hour) - Moss Adams will provide assistance regarding the interpretation of the evolving US "GAAP" rules relating to Bitcoin currency accounting. Management will be responsible for making its own decisions regarding how to apply those GAAP rules.
- Travel expenses, \$600 - This includes Bainbridge Island tolls and other expenses approved by management.

DISCLAIMERS

Regarding the accounting for Alydian, the following disclaimers apply:

- We are not performing the services described above as licensed certified public accountants.
- We are not performing an "Audit" or "Review" of the financial statements.
- The accounting rules related to Bitcoin currency are evolving rapidly, so no GAAP rules or other authoritative guidance exists at this time. We will do our best to apply existing GAAP rules that apply in comparable situations, in addition to reviewing existing Bitcoin accounting interpretations.
- Management is responsible for all accounting related to Alydian.

[Handwritten signatures]
John H. Hargan, CPA, CISA
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100 Main Street, Suite 1000
Seattle, Washington 98101

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